

# Impact of Covid -19 on Occupancy Rate at the Grand Nusantara Hotel

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## Abstract

The purpose of this research is to analyze the impact of Covid-19 on the occupancy rate at the Grand Nusantara Hotel and to find out what strategies the hotel is implementing to be able to survive to continue operating during a pandemic. The research method used in this study is a descriptive/qualitative technique which describes the description of the data on the number of occupancy rates of the Grand Nusantara Hotel before Covid-19 and after Covid-19, using observation, interview and documentation guidelines. The results of the research on the occupancy rate of Grand Nusantara Hotel before covid-19 with a total of 4,630 guests in 1 year, namely 2019. Then after covid-19 the occupancy rate decreased significantly to 1,643 or around 183% in 2020, then experienced a slight increase in 2021 with the number of guests was 2,046 or around 20% from 2020. However, it still could not come close to the pre-covid-19 occupancy rate. Efforts made by Grand Nusantara Hotel to remain capable of operating during a pandemic are marketing techniques that are quite good during a pandemic, such as: preparing products according to the needs of potential guests during a pandemic, making promo prices, and marketing them through OTAs and websites that they have.

**Keywords:** Impact of Covid-19, Hotel Occupancy

## 1. INTRODUCTION

On December 31, 2019, WHO China Country Office reported a case of pneumonia of unknown etiology in Wuhan City, Hubei Province, China. On January 7, 2020, China identified the case as a new type of coronavirus. On January 30, 2020, WHO designated this incident as a Public Health Emergency of International Concern (PEIC) and on March 11, 2020, WHO has declared COVID-19 a pandemic. COVID-19 is a group of viruses from the subfamily Orthocoronavirinae in the Coronaviridae family and the order Nidovirales. This group of viruses can cause disease in birds and mammals, including humans. In humans, coronaviruses cause respiratory tract infections that are generally mild, such as the common cold, although some forms of the disease include; SARS, MERS, and COVID-19 are more deadly (Yunus, 2020). According to (Yuliana, 2020) the coronavirus is a positive single-strain RNA virus, the coronavirus belongs to the order nidovirales. The structure of the coronavirus is shaped like a cube with protein on the surface

The increase in the number of cases occurred quite quickly, and spread to various countries in a short time. As of July 9, 2020, WHO reported 11,84,226 confirmed cases with 545,481 deaths worldwide (RI Ministry of Health, 2020). Meanwhile in Indonesia, the President of the Republic of Indonesia announced the first case on March 2, 2020. Namely, two residents in Depok. 44 days later the number of positive cases reached 4,839 cases. A total of 459 of them were declared dead. Not only has an impact on human health, COVID-19 also has an impact on the economy, one of which is the tourism sector. According to the Big Indonesian Dictionary, impact is a collision or other sentence, a strong thing and brings positive or negative consequences. From this definition, impact can be interpreted broadly, namely everything that arises as a result of "something" namely actions, events/influence events that arise after an event has occurred and brings positive and negative impacts..

In this case, COVID-19 has had a major negative impact on life, so the government is making great efforts to break the chain of transmission of COVID-19 for survival. One example of the efforts being made to prevent positive cases from increasing every day is by implementing 3M (Wearing Masks, Washing Hands, and Keeping Your Distance) and making PPKM regulations (Implementation of Restrictions on Community Activities) Then in order to suppress the spread of the virus. In addition, the government also issued Travel Regulations in Circular Letter No.4/2020 concerning Travel Health Protocols for People during the COVID-19 Pandemic Period which were established by the COVID-19 Task Force on 28 December 2020. This Circular Letter is valid from 28 December 2020 to 14 January In 2021, the government will require a five-day quarantine for international flight passengers entering Indonesia from 27 December 2020. During quarantine, passengers will undergo a PCR test when entering and leaving quarantine. After quarantine for 5 days, the passengers will undergo a second RT-PCR examination. If the result is negative, then it is permissible to continue the trip. Likewise with Domestic flight travelers who are required to carry out a PCR test before flying.

These policies have made every province in Indonesia experience a decrease in tourist visits, both foreign and local. According to data from the 2021 Tourism Trends Book, the number of foreign tourists entering Indonesia in February 2020 experienced a drastic decline and continued to decline in April 2020 with a total of 158 thousand foreign tourists coming to Indonesia. This also had an impact on domestic tourist visits, which fell by 30%. This condition resulted in almost 1.58 million jobs in the tourism and creative economy sector being affected by the pandemic. According to the Law of the Republic of Indonesia No. 10 of 2009 concerning Tourism Business is a business that provides goods and or services to meet the needs of tourists and organize tourism. As an industry in which people move from one place to another for recreational purposes or of course this industry experiences considerable shocks, which include the tourism accommodation or hotel sector. Data shows that the Indonesian economy in the first quarter of 2020 experienced a decline of 2.41 percent (q-to-q) compared to the quarter in the previous year, namely quarter IV-2019. (Tempo, 2020).

The Covid-19 pandemic situation has disrupted global and domestic supply chains, financial markets, consumer demand and has had a negative impact on key sectors, one of which is travel and tourism. The impact of the Covid-19 pandemic is very influential throughout the tourism value chain, small and medium companies in the tourism sector as well as the creative economy (Sugihamretha, 2020) Covid-19 has spread to various cities in Indonesia where the death toll has reached hundreds of people and is increasing every day as the number of people infected with Covid-19 increases (Yurianto, et.al, 2020). The rapid spread of Covid-19 prompted the Indonesian government to make various efforts to contain the spread of this virus, one of these efforts was to designate the Covid-19 pandemic as a non-natural national disaster through Presidential Decree Number 12 of 2020 which was issued on April 13, 2020. The implications of this stipulation Covid-19 as a national disaster, namely the Covid-19 countermeasures policy is in the central government together with the local government where every stakeholder must submit and obey the Covid-19 countermeasures policy.

As a result, Large-Scale Social Restrictions (PSBB) were imposed in a number of regions in Indonesia, including a ban on all types of tourism activities as stipulated in the Decree of the Minister of Health Number HK.01.07/MENKES/259/2020. (Herdiana, 2020) imposing PSBB in a number of areas and the cessation of tourism activities in Indonesia due to the spread of Covid-19 has had an impact on reducing the number of foreign tourists visiting Indonesia. Airports in Indonesia. during the Covid-19 pandemic (2020) the number of foreign tourists visiting was only around 4 million people. In other words, for one year the Covid-19 pandemic in Indonesia has caused a decrease in foreign tourist visits by around 74% from the average under normal conditions.

The big decline in the arrival of foreign tourist visits was also the cancellation of flight tickets, hotels and a decrease in bookings. This has also decreased due to a slowdown in domestic travel, especially domestic tourists, people's reluctance to travel, fears of the spread of the impact of Covid-19 in tourist areas. This also occurred in the decline in the tourism and travel business which had an impact on MSME businesses, informal workers and decreased employment. We need to know that so far tourism is a labor-intensive sector that has absorbed a workforce of more than 13 million workers, the multiplier effect that follows, including the derivative industry formed underneath, has also experienced the impact of the COVID 19 pandemic in the tourism sector (Sugihamretha, 2020)

According to the Decree of the Menparpostel No.KM/37/PW/304/MPPT-86, a hotel is a type of accommodation that provides some lodging, food and beverage services as well as other services in general, which are managed commercially. In January and February 2020 the BPS data shows that hotel occupancy rates are still on average normal, namely 49.71% and 49.22%. However, the pandemic caused the occupancy rate of hotel rooms to drop dramatically in March to 32.24%, and continued to decline to 12.7% in April. The number of hotel occupancy rates decreased but remained below 20% until June 2020. All Hospitality Businesses had to go through the most difficult years and try to survive in the midst of a pandemic.

One of the hotels in Medan, namely the Grand Nusantara Hotel, is one of the hotels that has decided to continue operating in the midst of a pandemic. With the number of occupancy rates decreasing significantly, of course it has a negative impact on the management of the Grand Nusantara Hotel. Therefore, this research is aimed at examining the impact of Covid-19 on the occupancy rate of the Grand Nusantara Hotel and to find out how to keep it operational during a pandemic.

## 2. METHODOLOGY

### 2.1 Place and Time of Research

This research was conducted by Grand Nusantara Hotel Medan which is located at Jalan Amal No.1, Medan Sunggal, Medan City. Held from May 2022 to August 2022.

#### 2.2.1 data type

The types of data used in this research are primary data and secondary data. According to (Sugiyono, 2019a) primary data is a data source that directly provides data to data collectors. The secondary data is primary data obtained by other parties or which have been further processed by other parties. Primary data in this study were obtained through interviews conducted with leaders and employees at the Grand Nusantara Hotel. While the secondary data in this study were obtained through existing data at the Grand Nusantara Hotel, books and journals related to each of the variables studied.

#### 2.2.2 Sources of Data

Sources of data used in this study are:

1. Internal data, namely data obtained from research sites or organizations, namely in this writing; hotel profile, Room Hunain Rate from 2019-2021
2. External data is data obtained from outside research sites such as the internet and libraries.

### 2.3 Method of Collecting Data

Research is a study through which careful and systematic scientific investigation is carried out, of all evidence or data regarding a particular problem, to finally produce a solution. Because it includes a scientific study, research requires certain systematic steps. The science of this is referred to as Research Methodology. The research method is action research using the Kemmis and Mc Taggart models (Triyono, T., Dharma, 2018) which includes four stages, namely planning, action, observation, and reflection. The data collection method used in this study is as follows

1. Documentation Study, data collection is done by seeking information based on company documents related to research.
2. Interviews or interviews are a research method carried out by the author directly by holding question and answer verbally to the leadership at the Grand Nusantara Hotel regarding the impact of Covid-19 on occupancy rates and what actions were taken by the company.
3. Documentation This research was conducted by obtaining reports and other documents that are closely related to the object of research and reading the literature as a theoretical basis that will serve as a theoretical basis in thesis writing.
4. Observation, According to Sugiyono (Sugiyono, 2019) observation is a data collection technique that has specific characteristics when compared to other techniques. Through observation activities researchers can learn about the behavior and meaning of the research. to obtain evidence that can support and complement the results of research at the Grand Nusantara Hotel.

### 2.4 Data analysis method

This research is a qualitative research, in a qualitative research data can be obtained from various sources with various ways of collecting data, until it reaches the maximum point. According to Sugiyono (2018: 26) qualitative research methods can be interpreted as research methods based on the philosophy of postpositivism, used to research on natural object conditions, (as opposed to experiments) where researchers are key instruments, data collection techniques are carried out triangulation ( combined), data analysis is inductive/qualitative in nature, and the results of 39 qualitative research emphasize understanding meaning and constructing phenomena rather than generalizations.

According to Sugiyono (2018: 482) data analysis is the process of systematically searching and compiling data obtained from interviews, field notes, and documentation, by organizing data into categories, describing them into units, synthesizing, compiling into patterns , choosing what is important and what is learned, and making conclusions so that it is easily understood by oneself and others. According to Sugiyono (2018: 482) qualitative data analysis is inductive in nature, namely an analysis based on the data obtained, then a certain relationship pattern is developed or a hypothesis is developed.

#### **Problem Solving with a Qualitative Approach**

Mile and Huberman, as quoted by Syofian Siregar, stated that there are three steps to processing qualitative data, namely data reduction, data display, and conclusion drawing and verification. The implementation of the three is

not bound by chronological boundaries. Overall these steps are interconnected during and after data collection, so this model is also called an interactive model.

1. Data Reduction

Data reduction is the research process of selecting and focusing on simplification, abstraction, and transformation of the raw data obtained. Reducing data means making summaries, choosing things that are considered main and important, looking for themes and patterns, and removing data that are considered unimportant.

2. Data Presentation

In presenting reduced data, the data is directed to be organized, arranged in a relationship pattern, so that it is easier to understand. Presentation of data is usually done in a narrative description.

3. Drawing conclusions After the two steps above, in the data analysis process is qualitative which is drawing conclusions based on the findings and verifying the data by looking for the meaning of each phenomenon obtained from the field, noting regularities, possible configurations, and propositions. The conclusions put forward at the initial stage obtained are temporary and will change, if supporting evidence is found at the next data collection stage. The process of finding evidence is called the data verification stage. If the conclusions found at an early stage are supported by strong evidence when the researcher returns to the field, then the conclusion is credible.

### 3. RESEARCH RESULT AND DISCUSSIONS

#### 3.1 Research Result

Covid 19 has changed several aspects of life today, including the tourism sector. Policies made such as the call #Dirumahaja have had a very significant impact on tourist visits, both foreign tourists and domestic tourists. In the 2020-2021 timeframe, management has made many efforts to remain operational in the pandemic era. In the midst of many prestigious hotels that have closed operations due to policies that the government has set in order to reduce the spread of Covid-19 in Indonesia.



Image 3.1 stay at home instructions issued by the Public Relations Division of the National Police Covid-19

#### 3.1.1 Covid 19 caused obstacles to hotel operations

From the interviews conducted with several informants, the results were found that COVID-19 provided obstacles to hotel operations because it made the check-in process longer than before the pandemic, the hotel also had to add room service for breakfast in order to reduce activities that gathered people in restaurants and The company also had difficulties in determining the selling price of the rooms with the condition that expenses increased but the occupancy rate dropped dramatically.

#### 3.1.2 The strategy carried out by the Grand Nusantara Hotel to continue operating in the midst of an ongoing pandemic

From interviews conducted with several informants, it was found that the hotel's strategy to survive during this pandemic was to reduce the scope of several divisions in the hotel. which presumably these divisions are capable if reductions are made, management will reduce the Front office and Room division divisions to minimize operational costs, apart from this, another strategy is to save electricity by reducing the use of lights in the lobby during the day and employees only use the elevator if only it is really necessary to reduce the operational costs of electricity.



### **3.1.3 Responding to the Covid-19 pandemic, especially in the health protocol rules set by the government**

From interviews conducted with several informants, it was found that in responding to Covid-19, especially in the health protocol rules set by the government, it was found that the Grand Nusantara Hotel had complied with the health protocol standards set by the government such as 3M Wearing masks, Keeping distance, Washing hand.

### **3.1.3 Promotions carried out to keep attracting guests during this covid-19 period**

From interviews that have been conducted with informants regarding promotions carried out to keep attracting guests, the result is that Grand Nusantara Hotel offers discounted rates for longer stays, and various promotional packages, such as free laundry for 2 shirts and 2 pants for 3 days stay, then reduced the price for staying over 5 days, and a package stay with a free afternoon snack.

### **3.1.4 Media Promotion to present Hotel-Related Informasion**

From interviews conducted with several informants regarding the media used to convey information related to hotels, it was found that Grand Nusantara Hotel markets it through OTA and the company's website.

## **3.2 Discussion**

In 2020 it was a difficult journey for the Grand Nusantara Hotel, there was a drastic decrease in the number of occupancy rates which really made the management of the Grand Nusantara Hotel have to take steps so that the hotel would survive during the co-19 pandemic. Based on the research that the author has conducted, the Grand Nusantara hotel remains operational during the pandemic while continuing to implement health protocols set by the government such as providing hand sanitizers, measuring the body temperature of incoming guests, providing assessment statements to potential guests, and maintaining distance in operational activities for the sake of maintain the health of guests, provide comfort to prospective guests who will stay.

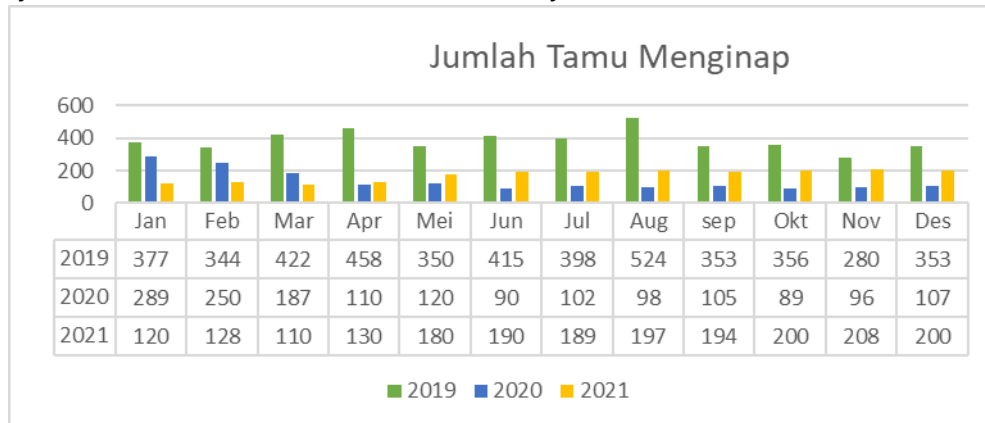
In operating in the midst of a pandemic, there are many obstacles that Grand Nusantara Hotel has to go through, as initially the check-in process at the reception desk did not take long, during a pandemic it took around 10-15 minutes because the hotel required all prospective guests staying overnight to fill out a statement regarding the guest's travel history and health condition. Then hotel management is also experiencing other difficult things such as determining the selling price of rooms, making promotions in the midst of hotel occupancy is falling and operational costs are increasing, where hotels are also required to be able to compete with hotels that are still operating in the midst of a pandemic, then for the sake of providing a sense of safe and comfortable for customers, all employees are required to wear complete personal protective equipment, but they still have to work and provide excellent service.

Then management also made several decisions to reduce operational costs by reducing the House Keeping and Front Office divisions, then making electricity savings, such as reducing the use of lights in the lobby area during the day, then prioritizing the use of elevators only for customers. The decision to continue operating during the Covid-19 pandemic forced management to think about how to attract guests to stay at the Grand Nusantara Hotel. one that is very focused on determining the selling price and promotion during Covid-19, promotion is an important thing, promotions are mandatory. In business, promotion is a strategy carried out to inform and influence target consumers to ultimately buy a product. Promotion is important to do so that potential customers are interested in buying the products or services offered.

According to Kotler and Keller in Simamora 2018, promotion is all forms of communication used to inform, persuade, and remind the target market about products produced by organizations, individuals or households. In this research, promotion is a way to increase hotel occupancy rates during a pandemic. Offering room choices and facilities available to prospective guests, the choice of rooms and services provided by Grand Nusantara Hotel is very varied, namely by making discounted prices for 3-6 day stay packages, providing free laundry facilities. The Grand Nusantara Hotel has thought of packages that suit the Covid-19 situation. The hotel determines that the target is workers who are bored with their WFH (Work From Home) status to change them to Work From Hotels while still following the health protocols set by the government. These promo packages will be found by potential guests in front of the reception desk in the form of brochures and banners that are posted on the front of the hotel entrance gate.

In this digital era, Grand Nusantara Hotel is also collaborating with Online Travel Agents such as Traveloka, Agoda, Booking.com, Hotels.com to attract interest and the level of guest visits in the midst of a pandemic. Potential guests can access information regarding room availability through the OTA, apart from the Grand Nusantara Hotel OTA, it also provides an official website that collaborates with Zuzu Hospitality in developing its website. OTAs and websites also play an important role in room sales. So every guest who wants to book a room can find out the availability of the room on the desired date and price in real time.

Based on research that researchers have conducted, the number of guests staying at the Grand Nusantara Hotel in the 1 year before Covid 19 entered Indonesia, namely in 2019.



**Table 3.2 Graph of Number of Guests Staying 2019-2021**

If you look at the table above, in 2021 the number of room occupancy rates at the Grand Nusantara Hotel will begin to increase, although not too significantly in January 2021. However, in 2021 the number of occupancy rates will gradually increase so that room occupancy in 2021 is 2046 with a percentage an increase of 20% from 2020. It is clear that in the span of March 2020 there has been a decrease in the number of occupancy at the Grand Nusantara Hotel Medan indicating that the impact of the pandemic was enormous on the interest of tourists to travel and stay at hotels.

In this pandemic era, Grand Nusantara Hotel has done its best and continues to strive to keep the hotel operating amidst the many star hotels that have temporarily suspended their operations. By continuing to implement health protocols set by the government such as wearing masks, providing hand sanitizers, checking temperatures at entrances, and spraying disinfectant liquid in rooms and hotel areas. Then, to increase the number of occupancy, Grand Nusantara Hotel has created a stay package that continues to support government programs to reduce the spread of the Covid-19 virus. Even though the existing promos are not enough to restore the number of occupancy rates to the pre-covid-19 era, slowly and gradually in 2021 the Grand Nusantara Hotel will begin to increase. This is the impact of the offers that hotels provide to potential guests, either through hotel website bookings or through online travel agents.

#### 4. CONCLUSIONS

Based on the results of the research and discussion described in the previous chapter, it can be concluded that the Grand Nusantara Hotel experienced a decrease in occupancy rates during the Covid-19 pandemic and caused obstacles to hotel operations because it made the check-in process take longer, and some services additional services that must be provided such as additional services. Covid-19 has also made it difficult for companies to determine the selling price of rooms under conditions of increased spending but drastically dropping occupancy rates. Due to this impact, the Grand Nusantara hotel has also reduced employees in order to reduce operational costs. To remain operational and provide comfort, Grand Nusantara Hotel has implemented and followed the health protocol regulations that have been set by the government to reduce the spread of the Covid-19 virus by stipulating the use of masks, measuring body temperature, and providing hand sanitizer at the lobby table. To be able to continue to attract guests, Grand Nusantara Hotel carried out promotional techniques during a pandemic such as providing stay package offers that were adjusted to pandemic conditions. Then offer the best prices through online travel agents and the Grand Nusantara Hotel website to increase occupancy rates again during the Covid-19 pandemic.

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